

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 3/05/07

SPONSOR Lujan, B LAST UPDATED _____ HB HM 56

SHORT TITLE Economic Development Tax Incentives SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Memorial 56 expresses the appreciation of the Legislature to the Economic Development Department (EDD) for its efforts to promote and sustain manufacturing in New Mexico through with tax incentives and requests the department continue to develop tax incentive legislation that promotes manufacturing.

SIGNIFICANT ISSUES

HM 56 states that since 2002 manufacturing jobs in New Mexico have increased about four percent. The memorial requests that EDD consider other tax incentives to continue this trend.

New Mexico offers more than 27 tax and business development incentives. For example, from 2003 to 2006, companies claimed \$22.7 million in tax credits through the manufacturing investment tax credit; however, no data is available on the number of jobs created by companies taking this credit.

According to the final report of the Tax Incentive and Accountability Task Force, released by EDD in April 2006, among the most frequently used and costly incentives are the manufacturing investment tax credit, high wage job tax credit, rural jobs tax credit, technology jobs tax credit, and research and development small business tax credit.

BE/nt